

**CITIZEN'S INDEPENDENT TRANSPORTATION TRUST (CITT)**

Budget and Finance Committee Meeting

Thursday, December 11, 2003

Stephen P. Clark Center

111 NW 1<sup>st</sup> Street, 10<sup>th</sup> Floor Conf. Room

10:00 a.m.

**Summary of Minutes**

**Budget & Finance Committee Members**

*Theodore Wilde, Chairman*

*Mike Abrams*

*Marc Buoniconti*

*Hon. John Cosgrove*

*Franklin Kelly*

*Thamara Labrousse*

*Miles Moss*

**CITT MEMBERS PRESENT:**

Theodore Wilde, Chairman

Hon. Mike Abrams

Marc Buoniconti

Hon. John Cosgrove

Franklin Kelly

Thamara Labrousse

Miles Moss

**COUNTY ATTORNEY:**

Bruce Libhaber

**OTHERS PRESENT:**

Hilda Fernandez, Executive Director, OCITT

Jack Furney, OCITT

Patty David, OCITT

Mayra Bustamante, MDT

Michelle Brown, MDT

Alberto Parjus, MDT

Frank DelVecchio, Citizen

Joanna Santiago, OCITT

Virginia Diaz, OCITT

Lilia Medina, OCITT

Joanna Santiago, OCITT

Pepe Valdes, OCITT

Ramona Phillips, Citizen

Marlene Amaro, OCITT

Greg Blackman, Government Supervisors Association

Richard Ellis, Government Supervisors Association

Roosevelt Bradley, MDT

Jose A. Galan, PWD

David Tinder, PWD

Oscar Camejo, MPO

Joel Volinksi, NCTRC

J.W. Johnson, TWA

Dan Ricker, Watchdog

Patrice Rosemond, OCITT

## **ROLL CALL**

With a quorum being present, Mr. Wilde, Chairman, of the Budget and Finance Committee meeting, called the meeting to order at 10:00 a.m.

## **APPROVAL OF AGENDA**

Mr. Wilde stated that Item No. 7, "CITT Internal Budget" has been deferred to January 15, 2004. Mr. Abrams moved approval of the agenda, seconded by Mr. Moss and carried without dissent.

## **CITIZEN'S COMMENTS**

Frank Delvecchio, citizen, commented that the role of the CITT is an audit and investigative body; it is not a planning body. He stated that the PTP was presented on to the public on a false pretense in order to obtain a funding source for the maintenance in operations. His recommendation is to amend the ordinance by eliminating the 20% allocation given to the municipalities and the \$300 million for roadway projects. Also, place a cap on the expenditures for bus systems provided under the PTP.

Mr. Wilde responded it would need to go back to the voters for approval. Ms. Fernandez stated that a pro forma presentation is scheduled at 2:00 pm today at the BCC Transportation Committee. The presentation will be reporting how the surtax proceeds will be utilized to fund all the improvements that were listed in the PTP. The same presentation will also be provided at the next full CITT meeting on December 17, 2003, as well as to the BCC on December 16, 2003. In addition, MDT has contracted with The Center for Urban Transportation Research to prepare a comprehensive analysis of all MDT existing routes to determine what routes need to be eliminated, reduced or implemented. The report should be completed and released next year.

## **APPROVAL OF MINUTES – NOVEMBER 25, 2003**

Mr. Moss moved approval of the November 25, 2003, minutes, seconded by Mr. Kelly and carried without dissent.

## **OLD BUSINESS**

### *Update CITT Selection – Financial Service Provider*

Ms. Fernandez explained and distributed a copy of the "Request for Proposals – Financial Consultant timeline" and stated that staff has been working with the Office of Procurement Management on the best model to move forward to selecting an independent financial consultant for the CITT as directed by the Budget & Finance Committee. The committee also directed staff to avoid using the existing county pool and develop a competitive process to contract an independent financial consultant that does not have any existing contracts with Miami-Dade County. It has been confirmed that CITT must get BCC approval to advertise for a competitive document. The County Manager does not have the power to exempt or waive the county process. Once the item has gone through the process the contract starting date would commence June 21, 2004.

Mr. Cosgrove mentioned that according to the November 25, 2003 minutes, Kevin Lynskey, from the Office of Strategy Business Management, indicated that the County

Manager could waive the process for professional services under \$1 million. Ms. Fernandez responded that Mr. Lynskey was not aware that professional agreements couldn't be exempt from the process. She suggested requesting an emergency request that would waive the process directly through the BCC Chairperson, Dr. Barbara Carey-Shuler.

Mr. Libhaber responded that both the Chairwoman and the Chair of the committees need to agree to bypass the process in order for the request to advertise be presented directly to the BCC for approval. However, in order to award a contract by January a consultant would need to be in place and that would require waiving a competitive bid.

Mr. Cosgrove asked the County Attorney if the CITT could move forward with the selection process and ask the BCC for a retroactive approval. Mr. Libhaber also mentioned that under an Administrative Order, a governing board does not allow to participate on the selection committee. The County Manager would need to make that recommendation to the BCC to waive that request.

Mr. Cosgrove suggested that the Selection Committee review the timeline. He stated that the process is very frustrating and is unacceptable to wait 6 months to hire a financial advisor.

Mr. Abrams stated that a firm from the county pool could be selected on an interim basis. Mr. Abrams moved to approve that the Budget and Finance committee having received information on the proposed timelines asked the Selection Committee to meet with staff and the county attorney's office to develop a potential shorten emergency process. The Chair of the CITT will then meet with the BCC Chair, the Chair of the effective committees and the County Manager for approval.

Ms. Labrousse added that the process has already been developed; what needs to be done is seek the waivers.

Mr. Libhaber stated that the Ordinance explicitly states that CITT members cannot lobby the BCC. However, the Budget & Finance Committee can direct staff to meet on behalf of the CITT with the BCC. Mr. Cosgrove stated that he would meet with Ms. Fernandez and Mr. Libhaber to develop some preliminary ideas for a plan. He will meet also with the County Manager and the Chairwoman of the BCC as part of the CITT responsibilities on behalf of the public.

Ms. Fernandez stated that based on the preliminary direction provided by the Budget & Finance Committee of requesting a waiver of the Committee process to allow a request to advertise to be presented to the BCC 1/6/04. In addition, the CITT could also request a waiver of the Mayoral veto that would allow advertising on the 1/7/04. It will then need CITT approval in February. In that scenario we would ask for a second waiver of committees to go straight to the BCC on March 3, 2004.

**Mr. Abrams moved to that the Budget and Finance committee recommends the Chairman of the CITT, the Executive Director and the County Attorney to develop an expedited process that would include a meeting with the Chairwoman of the BCC, the two Chairs of the designating committees effective, and the County Manager in order to seek a basis for emergency approval of a financial advisor. If unsuccessful by April 1, 2004, the Selection Committee would then go to the County pool to utilize, if necessary, a financial consultant on an interim basis. The motion was seconded by Ms. Labrousse and carried without dissent.**

#### *PEOPLE'S TRANSPORTATION PLAN PRO FORMA*

Ms. Fernandez distributed a copy of the questions raised by Mr. Wilde to MDT and MDT's responses; also a copy of the spreadsheet "Application of Sales Tax Revenue 2204-2033", was distributed. Ms. Fernandez explained that the spreadsheet includes information pertaining to the sales tax revenue. The largest amounts are for the municipalities according to the Ordinance (\$32 million); the Department of Public Works, for rail & bus improvements. There are also deductions for CITT staff and payroll support, which is part of the 5% for administrative support allowed under the Ordinance. The total listed in the pro forma does not reflect the projected expenses for CITT staff. Staff is working on developing a budget and that will be presented to the committee for approval. Other expenses listed are for the Golden Passport program and the cost for providing Metromover free. In addition, the revenues received from new and expanded services are also listed.

The members requested Mayra Bustamante, Assistant Director of Administration, MDT, to explain each line item. Ms. Bustamante provided a brief explanation of each line item and stated that Public Financial Management (PMF) would provide them with a presentation at the CITT meeting of December 17, 2003.

Mr. Moss asked if prior to the PTP was the county planning on expanding service. Mr. Bradley responded that new service was not anticipated because there was no funding available.

Ms. Fernandez explained the process for obtaining federal funding. The County is competing with 250 other properties throughout the country for a full funding grant agreement. She noted that the Federal Transit Administration (FTA) has administratively made a decision to cap \$100 million allocation. PFM has taken into account the \$100 million cap when they developed the pro forma.

#### **ACTION ITEMS**

Mr. Wilde asked Mr. Buoniconti if he had any comments before he leaves on the action items. Mr. Buoniconti noted that both the PWD 2-Year Plan and the Hialeah MOU have been approved by the Project Review Committee and forward to the committee for consideration. Mr. Buoniconti excused himself at 11:30 a.m.

### *PENSKE CONTRACT*

Ms. Fernandez reported that the BCC, the CITT Compliance & Oversight and Project Review Committees have approved the Penske Contract. She reviewed the questions/answers that were raised by Mr. Wilde (a copy was also distributed) and mentioned that a second set of questions and answers were being distributed.

Mr. Wilde asked Mr. Bradley to explain question No. 8, that states: "How much of the \$40 million for additional bus garages, which has been approved by the CITT in July are included in the contract?". Mr. Bradley responded there are currently 3 garages and 2 more are needed. The contract is part of the bus garages line item that was approved as capital projects.

Mr. Cosgrove stated that the actual expenditures within the contract for the various options that are within the PTP need to be brought back to the CITT for approval. Ms. Fernandez explained that the way the contract is written it will not clear that MDT will need additional CITT approval. The committee would need to include that language as part of the approval. The option that comes back annually is the cost per mile that is built into operating budget, but the option to build a garage will not come back.

Mr. Wilde said that for some of the expenditures, the CITT will not be voting on them again. If the CITT approves the contract that states 46 cents per mile reimbursement, that is what it is going to be. MDT is going to come back every year and ask for the money to be withdrawn and that is going to be the second look. The second element of the contract is the various lease options, and that part needs to come back for a second look as to what options MDT would be recommending at that particular time. That would be built into the 5-year plan.

Mr. Wilde stated that if the committee would like all these options to come back to the Trust it needs to be stated in the resolution for approval.

Mr. Cosgrove said would like to have a report on the expenditures yearly and include that to the resolution to avoid any confusion. The second item on the option choices will require a specific resolution, is either lease 2 garages or build 2 but the cost needs to be within the contract authority and MDT needs to bring the item back to the CITT with its recommendation.

Richard Ellis, President, Government Supervisors Association of Florida, represents the MDT supervisors, professionals and 39 other associations. He explained the current cost of GSA with MDT is slightly higher, due to the added fees charged by General Services Administration. However, if MDT had its own facility the cost would be less. Mr. Wilde asked if he is recommending for the committee not to approve the Penske Contract. Mr. Ellis responded that he is not making any recommendation except to review funding a facility.

Mr. Abrams excused himself at 12:05 p.m.

Ms. Fernandez suggested to include language instructing staff to draft and execute an interdepartmental agreement require reporting by MDT on contract expenditures especially delineating the PTP portions and furthering requiring approval by the CITT as the exercising any contract options.

Mr. Cosgrove added that would be a good procedure to establish and asked staff to develop that as a B&F item and also to include into the procedural manual.

J.W. Johnson, President of Transport Union, stated the union worked closely with MDT on the Penske contract and supports CITT approval.

Mr. Moss moved to approve the Resolution approving the Penske contract with the added language as stated by Ms. Fernandez to include language instructing staff to draft and execute an interdepartmental agreement require reporting by MDT on contract expenditures especially delineating the PTP portions and furthering requiring approval by the CITT as the exercising any contract options. Mr. Wilde moved to approve the Penske Contract with the added language, seconded by Mr. Moss and carried without dissent.

Mr. Wilde briefly reviewed the second set of questions and responses made to MDT (copy of the questions and responses was distributed)

#### *PUBLIC WORKS 2-YEAR PLAN*

Ms. Fernandez reviewed the memorandum dated November 19, 2003 from Dr. Bonzon regarding the proposed PWD 2-year plan and proposed resolution (copies were distributed). Jose Galan, Assistant Director, PWD, distributed an updated plan. Ms. Fernandez stated that the plan is broken down into two sections: 1) Major Highway and Road Improvements, which includes traffic signalization system, grade separation of lanes, road widening, etc, and 2) Neighborhood Improvement Projects, which include resurfacing, guardrails, school flashing signals, etc. A concern was raised to Attachment 2, regarding the distribution formula for Neighborhood Improvement Funds among Commission Districts. Mr. Galan has also provided staff with the 6 contracts for review, which will be forwarded to the appropriate committees before they are reviewed by the BCC.

Mr. Galan noted that the Hialeah MOU is the only contract that has been approved by the BCC, every other contract will be presented to the CITT concurrently with the BCC. He further explained the original attachment under District 3 list \$1.5 million for right-away acquisition for FY 03-04. The City of Miami has informed the department that right-away acquisition is not needed for those projects. Also, under District 6 FY 03-04 a reduction in construction cost has been made by \$500,000. Therefore, the total cost will be reduced for the first two years from \$8.4 million to \$7.9 million. In addition, under Major County-wide projects the "feasibility tunnel study has been reduced to \$100,000 for FY03-04 and \$400, 000 for FY 04-05. The department was anticipating reimbursing the PTP \$600,000 a year beginning next year for 9 years. During the Project Review

Committee, LtCol Colmenares stated that since the project was a PTP project he was not sure that reimbursement was necessary. Mr. Wilde stated the question is should interest be charged. Ms. Fernandez clarified that the project was listed on both the PTP and Transportation Improvement Plan (TIP). The project had anticipated to use road impact fees. The other question raised is should interest be paid on the \$5.5 million. If the committee approved the PWD 2-year Plan it will also be approving the Hialeah Memorandum of Understanding (MOU) because it is part of the plan.

Mr. Cosgrove moved to approve the resolution with the amended language as posed to the Penske Contract, seconded by Mr. Kelly and carried without dissent.

Ms. Labrousse excused herself at 12:45 p.m.

Mr. Moss asked if Doral and Miami Gardens are included under the distribution for the Neighborhood Improvement and have they begun negotiating with the County Manager. Ms. Fernandez responded that the cities have two options: 1) negotiate with the Dade league of Cities or 2) negotiate with the County on the 80% allocation the County receives.

Mr. Cosgrove directed staff to invite the Mayors of Doral and Miami Gardens to speak at the next CITT meeting 12/17/03 and for staff to provide an update on the negotiations.

#### *HIALEAH – MEMORANDUM OF UNDERSTANDING*

Ms. Fernandez stated that at the last CITT meeting a concern was raised by the Chair of the Compliance & Oversight committee that the committee has not had an opportunity to review the item. Staff and the County Attorney's Office concluded that minority participation measures do not need to apply to a MOU or Joint Participation Agreements under the county process. The Chair of the Compliance and Oversight committee has been informed of the process. However, any future contracts that will utilize PTP funds will require minority participation measures. The City of Hialeah has been invited to speak at the Compliance and Oversight Committee meeting scheduled for December 15, 2003.

Mr. Cosgrove moved to approve the Resolution subject to the City of Hialeah making a presentation on its measures and approval by the Compliance & Oversight Committee. The CITT is setting a precedent on loan advance program with PTP funds. If it is approved for one city, it will be available for others. Ms. Fernandez stated the resolution will include the following language: "The PWD will be required to provide monthly reports on the implementation of the project, set for the repayment schedule, details the surtax allocation schedule, and add provisions for the payments to include interest.

Mr. Moss moved to approve the amended Resolution to include the recommendations stated by Ms. Fernandez, seconded by Mr. Kelly and carried without dissent.

**CITIZEN'S COMMENTS**

None

**NEXT MEETING**

Ms. Fernandez announced that two new members have been appointed: Herminio Lorenzo District 13 and Harold Braynon, Jr. District 2. The next Budget & Finance Committee meeting is scheduled for December 15, 2003 -10:00 a.m.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 1:30 p.m.